

**AMENDMENTS TO THE SPECIFICATION**

Please amend the paragraph beginning on line 7 of page 6 and ending on line 10 of page 6 as follows:

In step 212 the formula  $e_i = d_i^0 - a_i \cdot q_i^0$  is used to compute the expected number of erodible components  $i$ . In this formula  $d_i^0$  is the uncancelable level for component  $i$ ,  $a_i$  is the vector of connect rates for component  $i$ , and  $q_i^0$  is the expected mean production computed in step 210. The uncancelable level for a component is the quantity of the component that cannot be liquidated without charge.